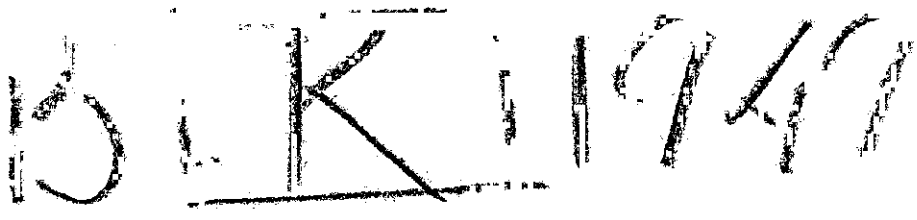
25

1949 **File No.** 320/48

P.W. **DEPARTMENT**

B CLASS El. **BRANCH**

Subject:— Octroi Duty
Levy of — on Electricity
Road + Building materials and
stores by local bodies.



File No. 320/48 - El.

Etd. Secst. 5Sip. 24 A

G R., G D., No 2408, dated 22-6-22.]

Correspondence

DOCKET SHEET (B)

Subject :—

File No. 320/48

P.W DEPT.

El. BRANCH.

References :—

Copies from the original file B[M]

Date.	To whom sent.	Notes and instructions.

320/48/2381

El. Br.

With the permission of the H. & L.G. Department the Municipality at Thana has asked the Thana El.Supply Co. to pay the following octroi duty on electricity imported in the Municipal area:-

		Rs.	As.	P.
(a)	Consumed for domestic purposes, per unit.	0-	0-	1.
(b)	Consumed for commercial purposes, per unit.	0-	0-	2

The Assocn. of the Electrical undertakings requests Government to cancel the above duty on ely.

2. In 1945, the Thana Municipality had proposed similar duty and the Association had represented to Government in this Department These papers were, however, transferred to the G.D. (new H. & L.G.Deptt.) as the subject "Octroi duty" pertains to that Department. If approved, these papers may also be transferred to the H. & L.G.D. for disposal.

3. This Department has not been consulted by the H. & L.G.Department beefre the Thana Municipality was permitted to levy the above octroi duty. it may be stated here that Government in R.D. is already levying an ely. duty under the Bombay Finance Act, 1932, and it does not seem desirable to tax electricity further. The Electrical Engineer to Government may please affier his view in this connection immediately as the H.M. wants the papers by the 10-2-1949.

Id/-
8-2-49

Id/-
8-2-49

Immediate.

U.O. to the El. Engr., to Govt., dated 8-2-49.

Below U.O.R., No. 320/48/8381 dated the 8th February 1949, from Government in the Public Works Department.

No. LRM-23/6873 of 1949.
Bombay, 8th Feb., 1949.

Returned with compliments.

2. Ordinarily octori duty is leviable only on goods and animals and electrical energy cannot, therefore, be considered as an article subject ot octroi duty, In the present case, the electrical energy is received from Tatas and converted into lower voltage at Thana, before distri bution and in t is sense, therefore the electricity

consumed...

consumed at Thana can be considered as being generated outside the Municipal limits and subsequently brought within the limits. It is suggested, therefore, that the matter may be referred to the Remembrancer of Legal Affairs to determine whether in the above circumstances electrical energy consumed at Thana can be subject to octroi duty.

3. As regards the octroi duty on electricity, I consider that all the powers for levying duties on electricity in any form should be retained exclusively by Government and not granted to anybody outside Government.

Sd/-
Electrical Engineer to Government.

320/48.
9271. 5.

El. Br.

Public Works Department.

Submitted with reference to the O.N dated the 8-2-1949.

2. With reference to para 2 of the Electrical Engineer's note within, it is stated that it has been ascertained informally from the H. & L.G.D. that that Department has already obtained the opinion of the R.L.A. to the effect that electrical energy consumed at Thana can be subject to octroi duty.

3. As regards the octroi duty on electricity, the Electrical Engineer considers that all the powers for levying duties on electricity in any forms should be retained exclusively by Government. If this view is accepted, —

(a) the H. & L.G.Deptt. may be requested to reconsider its decision to permit the Thana Municipality to levy octroi duty on electricity.

(b) these papers may be transferred for disposal to the H. & L.G.D; as already proposed in para 2 of the above O.N., with the recommendation as in (a) above;

and

(c) the Assocn. of El.Undertakings may be requested to make any further correspec. in this connection direct to the H. & L.G.D.

Id/-
9-2-49

Id/-
9-2-49

Id/-
9-2-49

Id/-
10-2-49

H M P.W.D.

As directed by H.M. (P.W.D.), to H. & L.G.D. File No. S.91(26) of 1948 regarding the Rules &c Bye. of the Thana Municipality is plcud below. I invite H.M's attntion to H.M.F.D's note at "A" on page 112 of the File below. Re S.R.concerned is at page 109 slip "C" and is ddated 21-7-48.

Id/-
18-2-49

H.M. (P.W.D.).

Id/-
21-2-49

Id/-
22/2

320/48/9271:-

Public Works Department.

El.Br.

Submitted with reference to the O.N. dated the 9-2-49.

2. It will be seen from the H.M. F.D's note at 'A' on p. of the H. & L.G.D., file No. S-91(26), that it has been decided by the H.P. that the permission granted to the Thana Municipality to levy octroi duty on electricity need not be cancelled, but in future when similar requestes are recd., the H. & L.G.D., should consult the F.D.

3. These papers may now be referred u.o. to the H. & L.G.D., with a request to -

(a) retain that Department file S-91-(26)

(b) retain letter No. AEU/20/185/49, dated the 3-2-49 (with accompt from the Association of Electrical Undertakings to H.M. P.W.D. and give them a suitable reply and endorse a copy thereof to this Department;

and

(c) to return back these papers to this Department.

Id/-
9-3-49.

Id/-
9-3-49

u.o. to H. L.G.Deptt., dt. 11-3-49.

H. & L.G.D.

Please see para 3 of the P.W.D. note overleaf.

(a) file No. S.91(26)/48 has been retained in this Deptt.

(b) A copy of the letter dt. 2-2-49 was separately received in this Department and a reply has already been sent, a copy

of which is forwarded to P.W.D. - vide G.E.S249(26)/ 4671-A dated 11-3-49 - There is therefore no need to retain the letter as suggested by P.W.D.

2. These papers may be returned to P.W.D. with this note.

Id/-
17-3-49.
18

time has already decided the issue of levy of octroi electricity - why not note the decision on this

Id/-
18-2-49

H.& L.G.D.

Resubmitted with reference to under Secretary's note ever-leaf.

2/ Government has decided that the permission granted to the Thana Municipality to levy octroi in electricity should not be cancelled and that before any orders are passed on similar requests the G F.D. should be consulted. The P.W.D. is already aware of this decision vide para 2 of that Department O.N. overleaf these papers may be returned to the P.W.D. as proposed.

Id/-
23-2-49

Id/-
23-3-49

u.s.r. to the P.W.D. dated 26-3-49.

I.S.
Pl. return to the P.W.D.

Id/-
25-3

320/48/21900 9.

Public Works Department.

El. Br.

Submitted (together with Srl.Nos. 18449 and 20318) w.r.t. the O.N. dated the 9-3-49.

2. The letter of the Association of Electrical Undertakings I on p. of the correspondence Section has been acknoledged. In view of the position explained in para. 2 of the O.N. on p. ante, no further action is necessary in these papers.

Id/-
31-3-49

Record.

Id/-
1-4-49.

320/48
57492.

El. Br. (I). Public Works Department.

Please see letter, dt. the 31-8-49, from the Assocn. of Electrical Undertakings, Bombay Province. The letter is addressed jointly to this Secys. to Government in the H. & L.G.Deptt. and P.W.D. It requests the favour of waiting in deputation jointly on the Hon'ble L.S.G & P.W.D. to discuss the question of levy of octroi duties and terminal taxes by this local authorities on this Electric Supply Companies. The subject matter is for the H. & L.S.G.Deptt. to deal with. It is presumed that this Deptt. is taking necessary action on this Association's letter and will consult this Department in due course before the decision taken on the Assn's. request. This note may be shewn u.o. to that Department for continuation of the above presumption.

Id/-
14-9-49.

Id/-
14-9-49.

u.o. to H. & L.G.Deptt., dt. 15-9-49.

H. & L.G.Deptt.

Please see the office note of today's date in the linked part I. X 183/39858/-A

2. The presumption made by the P.W.D. in its note overleaf is correct. The papers are being submitted direct to H.M. (P.W.D.), this file may also be submitted to H.M.S. for perusal with the linked file.

Id/-
24-9-49
27

Id/-
27-9-49

Id/-
4-10-49

Id/-
17-10-49 H & L.G.D.

H.& L.G.D.

The request for the grant of interview made by the Assocn. was once turned down. The Association has again repeated the request. The matter is under consideration in linked file I. It does not seem necessary to detain these papers in this Department. They may be referred to P.W.D.

P.T.O...

Id/-
9-12

Id/-

10. u.o.r. to P.W.D. dt. 23-12-49.

13.

320/48
88055

Public Works Department

El. Br.(I).

Submitted for information with reference to the O.N., dated the 14-9-49,

2. In view of the H. & L.G.Deptt. notes on the previous page no action is necessary.

Id/-
7-1-50

Id/-
9-1-50

320/48/2142. 15.

El. Br.(I).

(Below copy of letter No. AEU/164/728/50, dated the 9-1-50, from the Association of Electrical Undertakings, Bombay Province, addressed to the Ahmedabad Municipality, protesting against the Municipality's decision to levy octroi duty on electricity).

Submitted for information.

2. The subject matter of the above letter pertains to the Local Self Government and Public Health Department to which Department the letter had been endorsed by the Association that Department will take the necessary action in the matter.

Id/-
28-1-50

Id/-
28-1-50

Id/-
31-1

320/48/525 & 2832. 19.

Public Works Department.

El.Br.

The Nadiad Municipality has informed the Nadiad Electric Supply Co., Ltd., that the muncy. has resolved to levy an tax of Rs. 0-0-3 per unit for electricity sold for lighting as well as for motive power.

2. As per item No. 48B of Provl. Legislature list of Schedule 7 of the Government of India Act, 1935, the Provincial Government can tax the sale of electricity. The municipality has, however, to....

to seek the permission of Government before levying any such tax on electricity according to Section 73 of the Municipal Borough Act. The H. & L.G.Deptt. may be requested to state whether the Madiad Beroggh Municipality has seught the permission of Government in that Depart for levying such a tax on electricity at Madiad and if not, that Department may be requested to state whether it accepts the transfer of these papers in order to consider the objections raised by the Naidad Electric Supply Co., Ltd., if and when the Madiad Municipality approaches that Department for permission t levy a tax on the sale of ~~electtri~~ electricity at Madiad.

Id/-
27-1-49

Id/-
27-1-49.

u.o. to H. & L.G.Deptt., dated 29-1-49.

320/48
H. & L.G.Deptt.

20.

The proposed transfer may be accepted.

The proposal of the Madiad Municipality to levy tax on electricity has not yet been received in this Department.

Id/-
3-2-49

Id/-
3-2-49

u.o.r. to the P.W.D., dt. 4-2-49.

Public Works Department.

El.Br.

Submitted with reference to the O.N. overleaf.

2. The draft put up may issue, if approved.

Id/-
14-2-49

I S
pl. return to the P.W.D.

21.

320/48

P. W. D.

El. Br. (I)

The P.W.D. file No. 320/48 re: levy of octroi duty on electricity by local bodies, which was under u.o.r. to the H. & L.G.Deptt. since the 15-9-49, was brought back from that Department on the 12-11-49

for....

for reference (in con, with file S-37, dealing with Aide-memoir from Association of Electrical Undertakings, Bombay Province), The file may now be referred back to that Department with a request to retain the file for necessary remarks and return this sheet.

Id/-
16-11-49

Id/-
16-11-49

u.o. to the H. & L.G.D. dt. 17th November 1949

(With file No. 320/48).

Id/-

H. & L.G.D.

The file has been detained. This sheet is retd. as desired by the P.W.D.

Id/-
8-12.

u.o.r. to P.W.D. dt. 9-12-49.

320/48/84125

El. Br. (I). Public Works Department.

The return of the main file from the H. & L.G.D. may be awaited.

Id/-
26-~~12~~-3-49.

Id/-
27-~~12~~-3-49.

23.

320/48
16017.

Public Works Department.

El. Br.

Submitted for information.

2. The communication is a representation on the budget proposal to levy electricity duty for all purposes in addition to lights and fans. It is addressed to the F.D., which is concerned with this subject.

Id/-
14-3-49.

Id/-
16-3-49

Id/-
16/3

320/48
40917
Public Works Department.

El.Br.

Submitted.

2. According to the provisions in Section 73 of the Bombay Municipal Borough's Act 1925, the Municipalities cannot charge octroi on Government property, buildings, etc. The Chief Officer, Ratnagiri Municipal Borough claims the right to charge octroi on building and road material which is being brought by contractors to Municipal limits are at Ratnagiri for P.W.D.works. He suggests that the Executive Engineer may see the oct-roi receipts before accepting the material from the contractors or he should inform the Munv. beforehand of the total quantity of the material he has to receive from various places or contractors so that Munv. may charge octroi; The Chief Officer informs that he will otherwise charve octroi from P.W.D.

3. He has enclosed a copy of the Elecl. Commr's Letter addressed to him, in this matter, for information and reference. The Elecl. Commr. has poin'ed out that only these materials which belong to Govt. and for which a certificte of exemption has been furnished by an Officer authorised by him, should be exempted from levy of octroi duty. The arrangement pointed outby the Electrical Commissioner appears suitable to safeguard the interest of the Munv. The Elecl. Commr. and the S.E., S.C., may however be requested to offer remarks on the suggestions made by the Chief Officer. The draft put up for approval may issue.

Id/-
18-7-49

Id/-
14-7-49

Id/-
19-7-49

Id/-
19-/749

320/48
53426.

Public Works Department.

El. Br. (I).

Submitted together with S.Nos. 52827 & 50587.

2. These papers deal with the Ratnagiri Municipal Borough's claims to charge octroi on building and road materials brought by contractors at Ratnagiri for P.W.D. works. The O.N. at p. 5 ante explains the

point...

point mf at issue in these papers. The S.E., S.C., and the Elecl. Cpmnr. who were requested to offer remarks in this matter, vide Government Endt. at p. 7 ante think that it is for the Municipal Bereugh to take efficient measures to stop the contracters taking materials, whcih do not belong to Govt. into municipal area. They both hold that it is not necessary for the Ex.Engr. to furnish details of materials to the Municipal authority.

3. The Commissioner. S.D., has already given a reply to the President, Ratnagiri Municipality with reference to the latter's letter to Government at p. 3 ante. No further action is therefore necessary on these papers. An copy of the Commissioner's letter may be forwarded to the R.Cemmr. for information as per draft put up for approval.

Id/-
9/9/49

Id/-
9-9-49.

320/48/46933

Public Works Department.

El. Br.(I)

Submitted with reference to the proceedings on pp. ante.

2. As the Commissioner , S.D. has already addressed the Ratnagiri Municipality reg. the correct procedure to be adopted by the Municipality with regard to the levy of octroi on the materials brought by the contracters within the Municipal limits, no orders to their effect by Government have been considered necessary vide O.N. dt. the 9-9-49.

3. The Commissioner, S.D., may be addressed as per draft put up for approval.

Id/-
29-6-50

Id/-
29-6-50.

The Association of Electtical Undertakings
BOMBAY PROVINCE.

Allahabad Bank Buildings.
Appollo Street.

Ref. No. AEU/20/186/49. Bombay 2nd February, 1949.

The Secretary to Government,
Health & Local Government Department,

Bombay.

Dear Sir,

Thana Octroi Duty on Electricity.

We enclose copy of letter No. P/938 of 1948-49 dated 19th Jan., 1949, on the above subject, which has been served by the President, Borough Municipality, Thana, on the local Electtttty Company.

You will see from the letter that this has been done under order No. G.R.G.D.No.391(26) of 21st July, 1948. In this connection we would refer you to correspondence which goes back to the year1945 when the levy of a similar duty was mooted, but on our representations to the Public Works Department. who were then in charge of this subject, no duty was levied. Again in the year 1947 this question was raised and we then addressed the Secretary, General Department Secretariat , Bombay, reiterating the case earlier made to the Public Works Department and in the absence of any reply, we assumed that in view of this second representation the matter had been finally dropped.

This order, therefore, has come as a surprise to us and we have again to address you as follows:-

(1) We are not at themoment concerned with the legal aspects of the case although we are aware of the fact that there are great legal difficulties in the establishment of the right of the Municipality to levy duty of this nature. Then again there however is the question of measurement of Electric Energy which would in any case prove very difficult to deal with.

(2) We are at present concerned only with the question of the general policy in this regard. We feel that the proposed levy is against the statement of Government's general policy with regard to electricity. In all statements made recently by Members of the Central and Provincial Governments, one of the points stressed has been that efforts should be made to bring power at cheapest rates possible to every individual

in.....

in the country. The incidence of such an Octroi Duty is an onerous burden on a necessity which is already excessively taxed and brings a new burden on power consumed for commercial purposes.

In view of this policy of both Central and Provincial Governments, it would seem that a measure of this nature which is now contemplated by the Thana Municipality is against the interests of the population at large and also militates against economic development.

In these circumstances, we would earnestly request Government to reconsider their order No. G.R.G.D. 591(26) of 21st July, 1948, quoted above the prevent the Thana Municipality ~~xxxxxxxxxxxxxx~~ and other Municipalities and Local Bodies from Imposing levies of this nature. In reconsidering this matter we trust that Government will determine the question of policy as enunciated by Members of Government from time to time for the last 18 months.

In as much as the Thana Municipality seek to impose this duty as from the 16th instant, we earnestly request that this matter be given urgent consideration of the higher authorities.

Yours faithfully,

THE ASSOCIATION OF ELECTRICAL UNDERTAKINGS,
BOMBAY PROVINCCE.

Id/-
Ag. Secretary.

(COPY)

Telephone No. 87525

No. p/938 of 1948-49.
Municipal Office, Thana
Date, 19th January, 1949.

From

The President,
Borough Municipality, Thana,
Thana.

To

The Thanaa Electric Supply Co., Ltd.,
Thana.

Subject:- Octroi Duty on Electricity.

Sir,

I have to inform you that the Government under G.R., G.D.No.S91(26) of the 21st July, 1948, sanctioned the levy of Octroi Duty on

Elec.....

Electricity as under:

(a) Consumed for domestic purposes, per unit 0. 0. 1.

(b) Consumed for commercial purposes, per unit 0. 0. 2.

The General Board under its resolution No. 128 dated the 10th AUGUST,1948, sanctioned the said levy and decided under its resolution No. 246 dated the 4th January, 1949, to give effect to the recovery from the 16th February, 1949.

You are the importers of Electricity in Thana Town and the tax is to be recovered from you at the above, rates, I have to request you therefore to inform me every month before the 18th of the month, the total units of Electricity imported by you in Municipal Limits under (a) and (b) separately and arrange to pay Octroi at the rates shown above. The tax will be charged on Electricity imported from the 16th February, 1949.

Yours faithfully,

Sd/- President,
Borough Municipality, Thana.

The Association of Electrical Under Akkings
Bombay Province.

Allahabad Bank Buildings.
Appollo Stree.

Ref. No. AEU/20/185/49 Bombay, 3rd February, 1949.

for report
in a week
Id/-
4-2-49

Sec.P.W.D.

Hon. Dr. M.D.D.Gilder,
Minister for Public Works,
Secretariat,
BOMBAY.

Sir,

On Monday last you were kind enough to grant me an interview during which I placed before you the objections of the Association of Electrical Undertakings, Bombay Province, to the perposed levy by the Thana Municipality of an Octroi Duty on electricity "imported" into their aread. It would seem that thisproposed duty is sought to be -ived by the Municipality in terms of an order emanating from the Department of Health and Local Government who are the authority in charge of Municipalities.

4/2

This is not correct

You were kind enough to suggest that we should write to the Department of Health and Local Government with a copy to your Departmen You were also kind enough to state that, as your Department had not been consulted in this matter, which we believe is one involving policy

and Local Government take up this matter at cabinet level.

A copy of our letter to the Department of Health and Local Government has also gone, officially, to the Secretary, Public Works Department.

I am most grateful to you for granting me an interview.

Encl:

Yours faithfully,

Sd/- A.N.Haksar.

No. S.249(26)/4671-A,
Health and Local Government Department,
Bombay Castle, 11th March 1949.

From

The Under Secretary to the Government of Bombay,
Health and Local Government Department.

To

The Acting Secretary,
Association of Electrical Undertakings, Bombay Province,
Allahabad Bank Building, Appolle Street, Bombay.

Subject:- Thana Octroi Duty on Electricity.

Sir,

With reference to your letter dated 2nd February 1949 on the subject mentioned above, I am directed to state that Government regrets its inability to interfere in the matter.

Yours faithfully,

Sd/- B. J. JOSHI,
Under Secretary to the Government of Bombay,

HEALTH AND LOCAL GOVERNMENT DEPARTMENT.

No. S.249(26)/4671-A,
Health and Local Government Department,
Bombay Castle, 11th March 1949.

Copy forwarded to the Public Works Department for information.

Sd/-
For under Secretary to the Government of Bombay,
Health and Local Government Department.

COPY.

No. S.249(26)/4671-A,
Health and Local Government Department,
Bombay Castle, 11th March, 1949.

From

The Under Secretary to the Government of Bombay,
Health and Local Government Department.

To

The Acting Secretary,
Association of Electrical Undertakings, Bombay Province,
Allahabad Bank Building, Appolle Street, Bombay.

Subject:- Thana-Octroi Duty on Electricity.

Sir,

With reference to your letter dated 2nd February 1949 on the subject mentioned above, I am directed to state that Government regrets its inability to interfere in the matter.

Yours faithfully,

Under Secretary to the Government of Bombay,
Health and Local Government Department.

The Association of Electrical Undertakings
Bombay Province.

Allahabad Bank Buildings.
Appollo Street.

Ref:- No. AEU/8/218/49

Bombay: 23rd March 1949.

The Secretary to Government,
Public Works Department,
Bombay.

Dear Sir,

Levy of Octroi Duty by Thana Borough Municipality.

On 2nd February 1949, I sent you a copy of the Association's representation to the Helath and Local Government Department on the above subject.

To this a reply has now been received, a copy of which I now enclose and which you may be interested to see.

Yours faithfully,

Sd/-
SECRETARY.

Encl:

El.Br

320/48/8387.
P.W.D.

ackl.....

Acknowledge.

Id/-
25-3-49

Id/-
25-3-49

Issued.
28-3-49

Under No.320/48/20318 El.Br.
on 28/3-49.

List showing details of cojrei duties and/or terminal taxes paid by certain Electric Companies.

Name of the Co. 1.	Particulars 2.	Rates 3.	Per. 4.
		Rs.	
The Ahmedabad Electricity Co.Ltd.	Coal,ashes,cinders, coke, char-coal and Thar (burnt kankar).	0. 11. 0	Ton.
	Iron & articles of iron	0. 1. 0	Bombay Maund.
	All other articles except these specifically exempted under rule 386	0. 1. 0 6	" "
The Amalgamated Electricity Co. (Belgaum)Ltd.,(Belgaum) -Branch) (Belgaum Municipality)	All types of electrical goods	3. 2. 0	Rs. 100/-
	Printing & Stationery arti--cles.	1. 9. 0	Rs. 100/-
	Crude and Lubricating Oil	3. 0. 0	per cart.
The Amalgamated Electricity Co. (Belgaum)Ltd., (Bulsar Branch) (Bulsar Municipality).	Lubricating Oil, petrol, kerosene	0. 1. 0	Gallon.
	Washing Soda	0. 8. 0	maund.
	Gravel	1.00. 0	Brass
	Paints, Varnish,Linseed Oil, etc.	3. 2. 0	Rs. 100/-
	Cement & products of cement	3. 2. 0	Rs. 100/-
	Lime	0. 1. 0	Maund
	Bricks	1/ 0. 0.	1000 Nos.
	Coal Tar	3. 2. 0	Rs, 100/-
	Chemeicals	1. 9. 0	Rs, 100/-
	Iron & steel & products of it.	1. 9.0	0 Rs. 100/-
	Zinc and its products	0. 8. 0	maund
	Lead and its products	0. 8. 0.	maund
	Copper & brass & their products.	1. 9 0	Rs. 100/-
	Curde oil	0. 0 6.	gallon.

contd...

1.	2.	3.	4.
	Stationery	1. 9. 0.	Rs. 100/-
	Elec. goods, wires, lamps, etc.	1. 9. 0	Rs. 100/-
	Carrugates sheets and their products.	3. 2. 0	Rs. 100/-
The Amalgamated Electricity Co. (Belgaum)Ltd., (Bhiwandi Municipality).	All materials including printing matters.	1. 9. 0	Rs. 100/-
The Anand Elec. Supply Co.Ltd.	Diesel Oil ~~Electric matters~~	1. 9. 0	ton
	Electric goods	0. 8. 0	maund.
The Bhusawal Electricity Co. Ltd.	Linseed Oil	0. 4. 0	gallon.
	Elec. goods, e.g. copper wire, V.I.R. & C.T.S. wire, lamps, binding wire, batten wood batteries sets, B.C. Battern lamp holders blocks wooden casting & capping wooden, cutouts, energy meters, flaut wire, Hand gloves rubber insulators line taps cotton tape.	1. 0. 0	maund.
	All sorts of paint	0. 8. 0	gabben.
	Handware, Angle iron, barbed, Beams R.S. Nails bolts & nuts screw drivers.	0. 2. 0	maund.
	cement, cement sheets	0. 2. 0	cart
	Machinery: Leading transformer, Grinding machine water pump equipment battery charging fuse switches, drilling machine cycles, meter, tools.	1. 0. 0	Rs. 100/-
The Chalisgen Electricity Co., Ltd.	Diesel Oil & all other oils	0. 1. 6	maund
	Electric goods	1. 9. 0	Rs. 100/-
	Machinery & spare parts	1. 9. 0	Rs. 100/-
	G. I. Wire	0. 1. 0	maund.
	Copper wire	0. 2. 6	maund
	M.S.& other Hardware materials	0. 1. 6	maund.

The.....

1.	2.	3.	4.
The Karad Elec. Supply Co. Ltd.	All goods purchased by the Co.	0. 0. 3	per Rupee.
The Malegaon Electricity Co. Ltd.	Electrical Goods: V.I.R.& C.T.S. wires of all sizes, G.I.wires, copper wires, Binding, Kantarks & cutouts of all sizes, real insulators, clips, casing & battens, switches, plugs, holders, etc., M.E.M.switches of various capacity, Bulbs, of different wattages, flexible pipe, fencing wires, wooden bushes, cotter pins, Emery paste, pins & shackle insulators, percelain, cleats, and other elec. goods, H.T.& L.T. Ltg. arresters, meter boards and boxes.	1. 9.0	Rs. 100/-
	Generating plant, alternator, transformers, condensers, isolating links, enginespeares, electric pumps & other machinery, elec. tools such as pliers, files, drills, dies torches,etc.		
The Malegaon Electricity Co. Ltd.	switch board, copper bus bars, bus bar insulators, brass & copper sheets, filter packs, Emery wheels and other machinery parts, meters. . .	1. 9. 0	Rs. 100/-
	Stationery & printed articles (i.e.printed books and forms).	0. 1. 6	maund.
	Crude oil, lubricating oil, motor oil, Linseed oil, etc.	0. 3. 0	maund.
	Paints and oil colours	0. 1. 9	Rs. 100/-
	Tubular poles, rail poles, 'H' beams, story plates, chequred plates, M.S.Plates Iron & wire nails, screws, angle irons of different sizes, flat & round bars of different sizes, steel, channels, steel & G.I.Pipes, Iron pipes, flexible metal pipes pipe fittings, etc.	0. 2. 3	maund.
	Parts for me or cars & trucks	1.. 9. 0	Rs. 100/-
	Acids- hydrochloric, etc.	0. 1. 6	maund.
	Bleaching, Asphalt etc. powders	0. 2. 0	maund.
	Flooring tiles	0. 0. 6	maund.
	Cement for foundation	0. 7. 0	full cart load of 8 bags.
The Nadiad Elec. Supply Co. Ltd.	Diesel Oil	3. 9. 0	ton
	Lubricating Oil	0. 3. 0	gallon
	Other materials	0. 2. 0	maund.

The....

1.	2.	3.	4.
The Panvel Taluka Electrical Development Co., Ltd.	All electrical material	0. 0.6	Rupee.
The Surat Electricity Co. Ltd.	Oils & Lubricants: Vegatable and animal oils not otherwise provided for	0. 4. 0	Bengal maund.
	Minerals oils and lubricants not otherwise progided for	0. 13. 4	
	Crude oil.	3. 12. 0	ton
	Electrical accessories and appliances, radio sets and accessaries	3. 2. 0	Rs. 100/-
	Motor accessaries including tyres and tubes and motor cars, motor buses, motor cycles, chassis, tractors, or any other vehicle drawn by motor power which at the time of import is not registered or licensed only for a limited period	4. 11. 0	Rs. 100/-
	Rubber and rubber goods including rubber paint carpets.	1. 9. 0	Rs. 100/-
	Cement and articles made of cement	3. 2. 0	Rs. 100/-
	Iron & Steel (Including articles made there from but excluding implements, tools and machines used for agricultural purposes and brought from Surat Dist. for repairs within the Municipal Limits).	1. 9. 0	Rs. 100/-
	Timber, teakwood and all sorts of wood used for building, furniture and framing purposes and photo frames.	4. 11. 0	Rs. 100/-
	Manglore tiles	1. 8. 0	1000 tiles.
	Flooring tiles, glazed tiles, marbles and china kapchies.	3. 2. 0	Rs. 100/-
	Leather and plastic and articles made therefrom	3. 2. 0	Rs. 100/-
	Writing pads, cards boards, straw boards, fountain pens, and sets and papers of all kinds including Pasti papers, brown and wrapping papers but excluding hand made papers and Exercise books.	2. 8. 0	Rs. 100/-

The Association of Electrical Undertakings
Bombay Province

Killick Building,
Home St.

Ref. No. AEU/BA/450/49

Bombay 31st August, 1949.

The Secretary to the Government of Bombay,
Local Self Government Department,
Secretariat,
Bombay.

The Secretary to the Government of Bombay,
Public Works Department,
Bombay. Castle
Bombay.

Dear...

Dear Sir,

Levy of Octroi Duties and Terminal Taxes by Local Authorities.

The Electric Supply Industry in the Province has been agitated over the trend of Local Authorities raising finances by means of octroi duties applicable to the Industry. Recently there has been a proposal on the part of the Thana Municipality to levy an octroi duty on electrical energy 'imported' into its area.

The Association's attention has also been drawn to proposals by the Panvel and Bhiwandi Municipalities to levy such a duty. The Council of this Association feel that such an impost is against the statement of Government's general policy with regard to electric power. In all statements made recently by members of the Central and Provincial Governments, one of the points stressed was that efforts should be made to bring power at cheapest rates possible to every individual in the country. The incidence of the proposed octroi duty is an onerous burden on an Industry which is already heavily taxed and brings a new burden to bear on consumers of energy for commercial purposes.

Side by side with the proposal to levy an octroi on electrical energy, there has been an attempt on the part of a Local Authority to levy a heavy octroi on a basic raw material like coal consumed by an electrical undertaking. Reference is here made to Notification No. V.P.53, of 22nd July, 1949, by the Collector of Ahmedabad (Bombay Government Gazette dated 28th July - Part I-A, page 609) empowering the Sabarmati Village Panchayat to levy an octroi on hard soft and steam coal.

The proposed octroi by the Sabarmati Village Panchayat on the grades of coal mentioned above will fall mainly on the Ahmedabad Electricity Co. Ltd., whose power station is located at Sabarmati, and the Association has been advised that the calculated incidence of the proposed duty which will fall on the Ahmedabad Electricity Co.Ltd. is as high as Rs. 15,000/- per month. This aspect of the problem is particularly mentioned because there are no other major coal consuming establishments at Sabarmati other than the Ahmedabad Electricity Co.Ltd., and it is apparent that the Ahmedabad Electricity Co.Ltd., is being singled out to bear this heavy impost. The Ahmedabad Electricity Co.Ltd's., power station is the main industry located in the area which has resulted in the augmentation of the local wealth. Any attempts, therefore,....

therefore, to increase the power station's costs to the benefit of the Panchayat seems unreasonable.

While on this subject, the Association has been giving consideration to the levies, like octroi or terminal taxes, imposed by Local Authorities on electric supply undertakings as a whole, and I enclose a tab-ulated list giving details of octroi duties and terminal taxes which certain companies are now paying on articles used by them. The list is by no means exhaustive and there may be other undertakings similarly situated but it has not been possible for the Association to collect full information regarding them at short notice.

In wiriting to you on this subject the Association is not unware that the financial mainstay of Local Authorities has been octroi and terminal taxes, but it may be mentioned that such taxes are now regarded as entirely anachronistic and out of place in an India politically int egrated and set one course of rapid economic development on the basis of free trade and commerce within its boundaries. In repeating on the finances of what has up till now been regarded as Indian India, the Indian State Finance Enquiry Committee has pointed to the desirability of establishing the widest possible free trade in in the whole country and if this remakk has been received as being appropriate in the context of the States, then it is no less so in the field of Local Authorities' finances.

Apart from this aspect, the Council of this Association are of the view that any imposts which will either directly or indirectly increase the cost of electric power in the country should not be countenanced by the Government as such imposts run counter to Government's general policy to make available electricity at as cheap a rate as possible; and consequently against the public interest.

The Association must record its concern at the increasing tendency on the part of Local Authorities to levy octroi and other duties on a basic Industry like the electric supply industry and the Council of this Association feel that the best course to adopt is to seek the favour of waiting in deputation jointly on the Ministers of Local Self Government and Public Works Departments so that the matter could be discussed.

This letter is accordingly addressed jointly to both the departments with individual copies and the Council will be very grateful if an opportunity can be offered for the requested joint meeting.

At....

At the same time they feel that the matter is one of particular urgency and would greatly appreciate consideration of the matter on this basis.

Yours faithfully,

Sd//-
SECRETARY.

Encl:

Id/-
2-9-49.

320/48/57892

Public Works Department.

El. Br. (I).

Acknowledge under No. 320/48-El(I), dated the 5th-9-49.

Id/-
2-9-49

Id/-
3-9-49.

(ALL CORRESPONDENCE TO BE ADDRESSED TO THE SECRETARY)
The Association of Electrical Undertakings,
Bombay Province.

Telephone No:30901.

Registered Office:
KILLICK BUILDING,
HOME STREET.

Ref. No. AEU/164/718/50.

Bombay, 9th.January 1950.

The Chief Officer,
The Ahmedabad Municipality,
Ahmedabad.

DearSir,

The Association's attention has been drawn to the notice published by your Municipality in the "Gujarat Samachar" of the 21st December, proposing to impose octroi duties in lieu of the Terminal Tax now in force and which source will not be available to Local Authorities from 26th January, 1959, in view of that tax being now placed in the Union List.

When the Terminal Tax was taken from the orbit of the Local Authorities, the framers of the Constitution were only giving effect to the principle laid down in Article 301 of the Constitution Act, namely that there would be no impediments to trade and commerce in the India Union. If Terminal Tax is an impediment to trade and commerce octroi is no less so and on the same ground should not be countenenced.

In....

In laying emphasis on this fundamental principle, the Association is not unaware that a Municipality like yours, with the necessity to cater for growing civic needs, should find the other sources of revenue to make good the loss arising out of Terminal Taxes being taken out of its jurisdiction. It is also aware that the Local Finance Enquiry Committee appointed by the Government of India to enquire into the finances of Local Authorities are now conducting investigations on the subject and a decision on the propriety or otherwise of octroi duties being a means of Local Authorities' finance can well wait the recommendations of that Committee.

In the meantime, however the Association as representing the Electric Supply Industry in the Province wishes to make certain observations regarding the proposed duty as applicable to the local Electricity Company Undertaking (The Ahmedabad Electricity Co.Ltd.) which* a member of the Association.

It is theaccepted policy of Government to make available a tool of production like electrical energy at as cheap a rate as possible and in an endeavour to achieve this object the Power Engineers' Conference which met in February, 1949, at New Delhi under the auspices of the Central Government, viewed with disfavour of a tax like octroi. The text of the Resolution passed by that Conference is given below:-

> "This Conference is of the opinion that electricity being essential for industrial and agricultural production, it is of the utmost importance that its consumption for such purposes be exempted from all forms of difect taxation including sales tax and octroi duties, especially as the cost of generating and distributing electrical energy will be substantially higher in future due to the abnormally increased costs of all plants, materials and constructions."

It might also be mentioned that the profites of electricity supply companies are strictly controlled under the Electricity (Supply) Act, 1948. The proposed octroi duties if applied on the Ahmedabad Electricity Company would not be without its effect on its charges for supply, as the

cost...

cost of operation would be higher to the extent to which the tax is now liable to be paid by the Company on the materials used by it.

For your information, I may add that electrical energy as such in Ahmedabad is now subject to Provincial Government's tax, namely at Rs. 0.1.3 per unit for lights and fans consumption and 3 pies per two units for other purposes. Recognising this fact the Government of Bombay have exempted all materials used by electric supply undertakings from sales tax. Likewise, it is therefore suggested that the proposed Ahmedabad Borough Municipality Octroi Duty Rules be amended to provide that goods used for generation, transmission and distribution of electricity be exempted from octroi.

Pending the recommendations of the Local Finance Enquiry Committee the Association hopes that your Municipality will give the above suggestion their favourable consideration.

Yours faithfully,

Sd/-
SECRETARY.

Copy to —

The Secretary to the Government of Bombay,

Local Government Department,

Bombay- further to the Association's letter No. AEU/16A/624/50 of 29th November, 1949, with a request that the interview requested for with the Hon'ble Minister be sanctioned to discuss the matter.

The Secretary to the Government of Bombay, "

Public Works Department,

Bombay.

The Association of Electrical Undertakings,
Bombay Province.

Sd/-
SECRETARY.

(ALL CORRESPONDENCE TO BE ADDRESSED TO THE SECRETARY).

The Association of Electrical Undertakings,
Bombay Province.

Registered Office,
KILLICK BUILDING,
HOME STREET.

Telephone No. 30901.

Ref. No. AEU/16A/766/50

Bombay, 28th January 1950.

The Secretary,
Local Self Government Department,
Bombay.

Dear....

Dear Sir,

Levy of Octroi Duties by Local Authorities.

In writing to Government on 31st August, 1949, vide No. AEU/8A/450/49, requesting for a joint interview with the Ministers of Local Government and Public Works to discuss the question of Octroi levied by Local Authorities as affecting the Electric Supply concerns, the Association drew attention to the draft Notification No. V.P.53 published by the Collector of Ahmedabad (Bombay Government Gazetted dtated 28th July 1949) seeking to empower the Sabarmatia Village Panchayet Board to levy Octroi on coal.

The octroi proposed under the above Notification has now been authorised to be levied by the Collector of Ahmedabad in terms of Notification No. V.P.53 published in the Bombay Government Gazette of 29th December, 1949, and the duty is to be on hard and soft coke and steam coal. The rate previously notified for steam coal was 12 annas per ton and what the final rate is to be is not known.

As stated in our previous representation the octroi on coal now to be levied by the Sabarmatia Village Panchayet will fall mainly on the Ahmedabad Electricity Co. Ltd. whose power station is located at Sabarmati The increased cost of operation to the Electricity Company as a result of the tax may be of the order of Rs. 15,000 per month, and apart from the tax discriminating one particular user of coal (namely the local Electricity Company) it must be mentioned that the increased cost will immediately result in the cost of energy consumed by the Industrial establishments in Ahmedabd going up in proportion. In explanation of this I might mentioned that the Ahmedabad Electricity Co's. contracts with its industrial consumers are baded on a basic cost of coal, and any upward or downward variation in the price of electrical energy to such establishments takes place depending upon whether the cost of coal delivered at the power station increases or decreases from the basic figure.

Increase in the cost of electrical energy arising out of the new Octroi duty will therefore be especially detrimental to the cotton textile industry in the City of Ahmedabad, and this duty, coming as it does at a time when efforts are being made by the Central Government to reduce the cost of essential articles, is ill-timed.

The....

The council of this Association would, therefore, be grateful if the Minister will be pleased to grant the interview requested so that the possibility of reconsidering the tax mentioned above could be discussed.

Yours faithfully,

Sd/-
SECRETARY.

Copy fwr to The Secretary to the Government of Bombay, Public Works Department, Secretariat, Bombay.

Bombay,
29th January 1950.

Sd/-
SECRETARY.

No. 320/48-El.

320/48/9646

Public Works Department.
B.C., 16th February 1949.

To

M/S. The Nadiad Electric Supply Co.,Ltd.,
Sanawala Building, 2nd Floor,
59, Apollo Street, Fort, Bombay.

Subh- Municipal tax on the Sale of Electricity at Nadiad.

Dear Sir,

I am to refer to your letters, Nos. BGOVT/223, and BGOVT/235, dated the 31-12-48 and the 11-1-49, and to state that the Nadiad Municipality has to seek the permission of Government before levying a tax on elelctricity and no such permission has so far beengov- given to the Nadiad Municiaplity.

2. I am, further, to state that your letters, quoted above, have since been transferred to the H. & L.C.D. Any further correspondence in the matter may please be made to thqt Department direct.

Yours faithfully.

Copy with the ccs. letters under reply and accompts. forwarded to the H. & L.C.Deptt., for disposal.

B.A:- Nil.

Id/-
14-2-49

Id/-
14-2-49.

THE ASSOCIATION OF ELECTRICAL UNDERTAKINGS,
BOMBAY PROVINCE.

Allahabad Bank Buildings,
Apollo Street, Fort,
Bombay.
4th March, 1949.

The Secretary to the Government of Bombay,
Finance Department,
Secretariat,
Bombay.

Dear Sir,

ELECTRICITY DUTY.

This Association has been year after year recording its protest on the cintinuance of the Electricity Duty on lights and fans, and at one stage it had been thought t at Government had realised the inquity of the levy but were finding it difficult to forego the revenue from that source in view of increasing expenditure. In this background it had been hoped that the duty on Electricity would not be enhanced, if not reduced or withdrawn, but the financial esti-mates presented by the Hon'ble Minister for Finance in the Bombay Assembly on Thursday, the 24th February, 1949, imposes a tax of 3 pies per two units on electric energy used for all purposes in addition to lights and fans.

In announcing this proposal it has been suggested that the Government have carefully considered the matter "in its relation to industrial costs and output" and the imposition is sought to be justified on the gorund that the "expenditure on power represents only a minor item in the aggregate cost of production" and therefore "the slight increase that will accrue because of the imposition of the Duty is not likely to have any adverse effect on industrial production in the Province" and should not involved any but a negligible burden for the consumer.

Without going into the cost components of production, one basic factor which makes the consideration of a tax of this nature dangerous is that it is tantamount to taxing a tool of production which against industrial expansion. Expressed in terms of pies the tax may appear small and this may tend to lull the layman into the belief that it is a mild imposition. However, calculations shew that the incidence of the tax ranges as high as 33% on the Power Bill of an efficient factory. This taxation, it is patent, will undoubtedly affect the capacity of the Province's industry to compete with that in other Provinces, let alone other countries. even...

even the tax on luxury articles (6.1/4% ad valorem) under Bombay Sales Tax Act is mild compared with the proposed imposition on an essential means of production.

The highest duty imposed on any form ofelectrical energy outside India is, so far as wef are aware, 3% ad valorem, effective in some parts of U.S.A. This compares with Bombay's sales Tax on ordinary goods.

In U.K. electricity has, of course, always been duty free, as, it will be observed, are other essential commodities under the Bombay Sales Tax Act.

The present policy of the Bombay Government to tax Electricity is contrary to the policy expressed by many of the nation's leaders to make available electricity as cheaply and abundantly as possible both for Industry and the General Public.

Apart from the merits or demerits of the case, it does not seem fair that Electiricyt should be singled out to bear this burden while other sources of energy such as may be produced by gas, steam, or oil should be left untouched.

It may most be generally realsied thxxxe that encouraged by these levies Loval Authorities are now seeking to impose - and in one case an imposition has already taken place - octroi duties.

Here, it may be mentioned that the Power Engineers' Conference which recently meth in Delhi deprecated all forms of direct taxation of Electricity and on this subject a REsolution was adopted a copy of which is attached for your ready reference.

It appears to have been accepted in all quarters that Electricity is an essential article for production and consumption and conse-
-quently any taxation of that commodity would mean a tax on progress.

It is, therfore, earnestly hoped that Government will recon-
-sider their proposals to tax Electricity for industrial consumption and other purposes.

Yours faithfully,

Sd/-
SECRETARY.

Encl:

Text of Resolution Adopted At The Power Engineers's Conference Held At Delhi On 21-25th February, 1949.

That ...

"This Conference ...
being essential for industrial and ...
it is of the utpost importance that its consumption ...
purposes be exempted from all forms of direct taxation,
including sales tax and octroi duties, especially as the cost
of generating and distributing electrical energy will be
substantially higher in the future due to the abnormally increase
cost of plants, materials and construction."

The Association of Electrical Undertakings,
Bombay Province.

Allahabad Bank Buildings,
Apollo Street.

Ref.No. AEU/8/198 /49. Bombay 5th March, 1949.

Dear Sir,

Electricity Duty.

I enclose, for your information, copy of letter dated 4th March, 1
addressed by this Association to the Secretary to the Government of
Bombay on the above subject.

Yours faithfully,

Sd/-
Secretary.

Encl:

The Secretary to the Government of Bombay,
Public Works Department,
Bombay.

TRUE COPY.

No. E -72/7801. ...
Electric Grid Office,
Foreshore Road,
Bombay 1: 12th May 1949

To

The Chief Officer,
Ratnagiri Municipal Borough,
Ratnagiri.

Subject:- Octroi duty on stores,
Trafford sheating wire wood,
stone, metal and sand.

Reference:- Your letter No. 5 dated 2-4-49.

With reference to your letter quoted above, I may point out that only these materials which belongs to Government and for which a certificate of exemption has been furnished to you by an Officer authorised by this department are not to levied. Octroi charges , where..

para 6 of your letter from Assistant Engineer (Ratnagiri) to whom a copy of this letter is being sent.

For Electrical Commissioner,
with the Government of Bombay.

Copy forwarded with compliments to the Assistant Engineer (Civil) Power House Construction Sub-Ratnagiri with reference to his No. Elg-Rat/ 1997 dated 30-4-49 for information and guidance.

No. 237 of 1949-50.
Ratnagiri: 17th/18th June 1949.

From

A.S.Anand Esqr., B.E. (Civil),
The Chief Mngt Officer,
Municipal Bereggh, Ratnagiri.

To

The Chief Engineer,
and Secretary to Government of Bombay,
Public Works Department,
Secretariat, Fort, Bombay No. 1.

Sub:- Octroi duty on road and building material
Stones, metal, iron, cement, sand etc.

Sir,

I understand that some building and road material is being brought to Municipal area for P.W.D. road and buidligns. The material actually does not belong to Government but it is supplied by the contractors. Therefore this municipality has got every right to levy tax on such material.

According to section 73 (Bombay Municipal Borough's Act 1925) we cannot charge octroi direct on Government goods, buildings, and part of buildings, but we are quite justified for charging octroi from local contractors who takecontracts for the purpose of profit. Therefore we invite your attention to write to your Executive Engineer, to inform this Municipality whenever he received any road or building material from any local contractor. Before taking the material in hand he should the octroi receipts. If he cannot do so at least he should inform Municipality before hand, about the total quantity of the material to receive from various places or contractors. So that we may octroi from the contractor. If nothing is done we will be compelled octroi from P.W.D. and we would not allow such contractors to supply...

supply material without paying octoi. This system is going on for the last so many years and the contractors are taking undue advantage of the P.W.D. and this Municipality is found to be at loss for such octroi money. Therefore I request you to kindly to inform your Executive Engineer to do the needful in this matter. So that this Municipality may also be benefitted with slight help of yours.

Thanking you in the meantime,

Yours faithfully,

Sd/-
CHIEF OFFICER,
Municipal Borough, Ratnagiri.

The true copy of the letter received from the Electrical Commissioner, (P.W.D.), Bombay, is sent to you for information and ready reference.

320/48
40917.

Below, copies fw of letter No. 237, dated the 17-18-6-49 from the Chief Officer, Ratnagiri Municipal Borough and its accompaniment reg. levy of octroi duty on road and buidling material.

No. 320/48-El. Public Works Department,
Bombay Castle, 20th July 1949.

Copies forwarded to the S.E., S.C., and the Elec. Commissioner, with the Government of Bombay for remarks on the suggestions made by the Chief Officer, Ratnagiri Municipal Borough.

By order etc.,

Id/-
14-7 -49.

Id/-
19-7-49.

Office of Executive Engineer,
No. G-34. Ratnagiri Division,
Ratnagiri 4th July 1949.

To

The Superintending Engineer,
Southern Circle.

Subject:- Octroi duty on road and building materials, stones, metal iron, cement, sand etc.

Reference:- Your No. G-34, dated 22-6-49.

It....

It is not known whether any Octroi duty is paid by the Contractors on the materials used by them for the execution of Government works taken on regula B-1 or B-2 or A-1 or A-2 contracts, as no refunds are claimed by any of the contracts in this Division uptill now. Refunds are not also admissible in such cases. It is the duty of the Municipality to stop the carts or trucks of the contractos coming within the Municipal limits and charge Octroi duty. It appears, the Naka Karkuns of the Municiplity on Naka duties are not discharging their duties and for that the Chief Officer is blaming others.

2. This Office has neever written to him not to charge Octroi duty; hence it is not understood why such a reference is made. It is not possible to supply him details of materials purchased by us, as that would increase our work. He may directly stopt the contracters' trucks or carts etc. at Municipal Nakas and charge Octroi duty.

3. As regards materials owned by Government conveyed either by Government owned vehicles or through any other agency, Naka passes in the prescribed from are issued on the authority of which no Octroi duty is being charged by the Municipality as per rules. In rare cases when such Octroi duty is recovered on Government goods a refund is claimed from the Municipality or the Local Board concerned for which no difficulty is felt.

Sd/- Y. G. Munshi,
Executive Engineer, Rat. Dn.

L E T T E R.

To

Commissioner, S.D.,
Belgaum.

No. G. 34- Public Works Department,
Belgaum, 18th July 1949.

Subject:- Octroi duty on road and building materials.

A copy of letter No. 237 dated 17/18-6-49 from the Chief Officer, Municipal Borough, Ratnagiri addressed to that the local contractors who undertake contracts are not paying octroi as required by Section 73 of the Bombay M.B.Act,1925 and therefore the Executive Engineer may be written to verify the octroi receipts whenever he receives any road or building materials from the contractors or to inform you

/Govt. is sent herewith. The Chief Officer reports.

Contd. . .

inform the Municipality beforehand about the total quantity of materials to be recieved from the various places or contractors to enable the Municipality to charge octroi accordingly,

2. According to the conditions of contracts the contractor has to pay octroi first and then to claim refund for such charges on obtaining a certificate from the Engineer in charge that materials were required for Government work.

3. The Executive Engineer, Ratnagiri Division however reports that no such refunds have been claimed by any contractor in his Division so far.

4. It is upto the Municipality to stop the conveyance at the Municipal Naka and to recover the octroi in cash and as such the Chief Officer's reqests to give him advance intimation of the materials to be conveyed by each contractor and to verify the octroi receipts while taking delivery of the materials is not feasible as it would increase unnecessary work in the Divisional Office.

5. If you agree, I request you to inform the Municipality accordingly.

Encl:- 1 copy of Letter.

Sd/- S.S. Divatia,
Superintending Engineer, S.C.

LETTER

From

The Superintending Engineer,
Southern Circle.

To

The Secretary to Government,
Public Works Department,
Bombay.

No. G-34.

Public Works Department,
Belgaum, 30th July 1949.

Subject:- Octroi duty on road & building materials.

Reference:- Govt. endorsement No. 320/48-E-I, dated the 20th July 1949.

According to Section 73 of the Bombay Municipal Borough Act, 1925, materials belonging to Government are exempted, from payment of Octori charges. When Government materials are conveyed by the contractos to the P.W.D. Stores in the Municipal limits, Naka passes in the prescribed froms are issued by the Executive Engineers on the authority of which no octroi is charged by the Municipality.

2. As regards the materials supplied by contractors for Government work..

Re copies of the marginally noted references in connection

1) Ex.Engr.Ratnagiri Dn's. Letter No. G-34 dated 4-7-1949, addressed to this office.	:	with the above are submitted herewith for
2) This Office Letter No. G-34 dated the18th July 1949, addressed to the Commissioner, S.B.	:	perusal. The Executive Engineer, Ratnagiri Division

in his abyve letter reports that no refunds of octroi charges on the materials supplied by the contractors for Government works have been claimed so far by any of the chntractors in the Ratnagiri Division Accordingly to the conditionsof contract, a contractor has to pay octroi charges to the Municipality first and then to claim a refund for such of the charges as are ~~xxxxxxxxxxxxxxxxxx~~ permissible under the rules on obtaining a certificate from hhe Engineer in charge to the effect that the materials were required for use on Government works.

3. From the above, it will be seen that it is upto the Ratnagiri Municipal Borough to stop the conveyance of materials by the contractors and to recover necessary octroi charges in cash at the Municipal Naka.

4. The request of the Chief Officer, Municipal Borough Ratnagiri to give him advnace intimation of the materials to be received from each contractors or to verify the octroi receipts while taking delivery of the materials is not feasible as it would increase unnecessary work in the Divisional Office. If Government agrees, the Chief Officer Municipal Borough, Ratnagiri, may kindly be informed accordingly.

Annexure:

2 copies of letters.

Sd/-
Superintending Engineer, S.C.

Copy forwarded with compliments to —

the Commissioner, S.B., Belgaum,

the Executive Engineer, Ratnagiri Division,

for information with reference to this office letter No. G-34, dated the 18th July 1949.

No. 237 of 1949-50.
Ratnagiri, 17/18th June 1949.

From

A.S.Anand, Esquire, B.E. (Civil),
the Chief Officer,
Municipal Borough, Ratnagiri.

To

The Chief Engineer,
and Secretary to Govt. of Bombay,
P.W.D., Secretariat, Fort-Bombay No. 1.

Subject:- Octroi duyt on road and building material stores metal ironm cement sand. etc.

Sir,

I understand that some building and road material is being brought to Municipal area for P.W.D.Road and building. The material actually does not belong to Government but it is supplied by the contractors. Therefore this municipality has got every right to levy tax on such material.

Accroding to section 73 (Bombay Municipal Borough's Act 1925) we cannot charge octroi direct on Government goods, buildings, and part of buildings, but we are quite justified for charging octori from local contracters who take contracts for the purpose of profit. Therefore we invite your attention to write to your Executive Engineer, to inform this Municipality wenever he received any road or buildiggs material from any local contracter. Before taking the material in hand he should see the octroi receipts. If he cannot do so at lea should inform this Municipality before hand about the total quant' of thematerial he has to receive from various places or contracters. So that we may charge octroi from P.W.D. and we would not allow such contracters to supply material without paying octroi. This system is going on for the last so many years and the contracters are taking undue advantage of the P,W,D. and Municipali ty is found to be at less for such octroi money. Therefore I request yor to kindly to inform your Ex. Engr., to do the needful in this matter. So that this municipality may also be benefitted with slight help of yours.

Thanking you in the meantime,

Yours faithfully,

Sd/-

Sd/- x x x
Chief Officer,
Municipal Borough.

P.S. The true copy of the letter received from the

Electrical Commissioner, (P.W.D.), Bombay, sent to you for information and ready reference.

Copy f.w.cs. to the Superintending Engineer, S.C., Belgaum.

L E T T E R.

From

The Superintending Engineer,
Southern Circle.

To

The Commissioner, S.D.
Belgaum.

No. G-34. Public Works Department,
Belgaum, 18th July 1949.

Subject:- Octroi duty on road and building materials.

A copy of letter No. 237, dated 17/18th June 1949 from the Chief Officer, Municipal Borough, Ratnagiri, addressed to Government is am sent herewith. The Chief Officer reports that the local contractors who undertake contracts are not paying octroi as required by Section 73 of the Bombay M.B.Act 1925 and therefore the Executive Engineer may be written to verify the octroi receipts whenever he receives any road or building materials from the contractors or to inform the Municipality before hand about the total quantity of materials to be recieved from the various places or contracters to enable the Municipality to charge octroi accordingly.

2. According to the conditions of contracts the contractor has to pay octroi first and then to claim refund for such charges on obtaining a certificate from the Engineer in charge that the materials were required for Government work.

3. The Executive Engineer, Ratnagiri Division however reports that no such refunds have been claimed by any contractor in his Division so far.

4. It is upto the Municipality to stop the conveyance at the Municipal Naka and to recover the octroi in each and as such the Chief Officer's request to give him advance intimation of the materials to be conveyed by each contractor and to verify the octroi receipts while taking delivery of the materials is not feasible as it would increase unnecessary work in the Divisional Office.

If you agree, I request you to inform the Municipality accordingly.

Encl:- 1 copy of letter.

Sd/-
Superintending Engineer, S.C.

Copy f.w.cs. to the Executive Engineer, Ratnagiri Divisamn, for information and guidance with reference to his letterNo. G-34, date the 4th July 1949.

Subject:- Ratnagiri Municipality.
octroi duty in road and building materials.

.....

BelgNo. MBL.VI.
Belgaum, 3-8- 49.

To

The President,
Ratnagiri Municipality.

Reference your Chief Officer's letter No. 237, dated 18-6-49 addressed to the Chief Engineer and Secretary to Government, P.W.D.

The proposer course for the Municipality is to stop the Contractors' vehicles like otherpersons' vehicles, and claim the octroi before allowing their entry in the Municipal octroi limits. It is not feasible for the Executive Engineer to inform the Municipality in advance what material is brought by the Contractors on every trip.

Sd/- B.D.Mirchandani,
Commissioner, S.D.

Copy with thepapers forwarded with compliments to the Chief Engineer to Government P.W.D., Bombay for information.

Copy with compliments to the Superintending Engineer, S.C., Belgaum with reference to his letter No. G.34, dated 18-7-1989.

Sd/-
For Commissioner, S.D.

No. A.72/ 13270.
Electric Grid Offices,
Foreshore, Road,-
Bombay 1: 12 August 1949.

To

The Deputy Secretary to Govt. of Bombay,
Public Works Department,
Bombay.

Subject:- Octroi duty on Stores -
Traffond sheets, wire, wood,
Stone, metal and sand.

Reference: Your endorsemtn No. 320/49-El dated 20th July

It has already been made clear to the Chief Officer, Municipal Borough under this office No. A.72/7801 dated

5-1949 that only these materials which belong to Government and for which a certificate of exemption has been furnished to him by an officer authorised by this Department, are not to be levied 'Octroi' charges.

The Chief Officer, Ratnagiri Municipal Borough should not allow the Contractors to take the materials within the Municipal limit on the assumption that such materials necessarily belong to the Government. He should insert- insist upon the Contractors to produce the exemption certificate and in case of no non-compliance to do sy by the latter, he may levy the the Octroi charges and recover from them as in the case of an ordinary citizen.

If this procedure is followed by the Municpal authorities, the questions raised bythe Chief Officer in his above letter will not arise. It does not seem necessary for this Department to furnish the details of materials to be received from the Contractors to the Municipal authorities, as required by the Chief Officer.

Sd/-
Electrical Commissioner,
with the Government of Bombay.

Id/-
11-8-49

copy to the Executive Engineer Civil (Diesel) for information.

..LETTER. 320/48
53426

No. 320/48-El(I). Public Works Department,
B.C., 12th Sept., 1949.

To

The Electrical Commissioner with the Govt., of Bombay,

Sub:- Octroi duty on Stores.

Ref:- Correspondence ending with your letter No. A72/13270, dated the 12-8-49.

2. A copy of letter No. MEL.VI, dated the 2-8-49 from the Commissioner, S.D., on the above subject, addressed to the President, Ratnagiri Municipality, is enclosed for your information.

By order etc.,

D.A:- copy of letter.

Id/-
9-9-49.

Id/-
9-9-49.

contd....

L E T T ER.

No. 320/48-El(I).

Public Works Department,
Bombay Castle (Bombay No. 1),
30th June 1950.

To

The Superintending Engineer,
Southern Circle.

Subject:- Octroi duty on road and building materials.

Reference:- Your letter No. G-34, dated the 8th June 1950.

2. Your attention is invited to letter No. MBL.VI. dated the 3rd August 1949, from the Commissioner, Southern Division to the President, Ratnagiri Municipality in the matter. The letter is enclosed to you. A copy thereof is however enclosed for ready reference. No further orders of Government are necessary.

By order of the Governor of Bombay,

Sd/-
1-7-1950.
Assistant Secretary to the Government of Bombay,
Public Works Department.

*

D.A:- Copy of letter

Id/-
3-7-50.

*Typed on the reverse.

PMB/30/6/56.